

STATE of CALIFORNIA
DEPARTMENT of MOTOR VEHICLES

STRATEGIC PLAN

July 2005



CALIFORNIA DMV: DRIVING CHANGE

CUSTOMER FOCUSED • SOLUTION ORIENTED • INNOVATIVE

State of California
Department of Motor Vehicles

Strategic Plan

July 2005

Arnold Schwarzenegger
Governor

Sunne Wright McPeak
Business, Transportation and Housing Agency
Secretary

Joan M. Borucki
Director

A Message From the Director



I am pleased to present the Department of Motor Vehicles 2005 Strategic Plan. The plan is designed to achieve Governor Schwarzenegger's vision of a 21st century government. It is a concept for where we will take DMV into the future and how we will get there. It will guide our programs, our budget, and how we measure performance over the next three years.

The plan provides a comprehensive, multifaceted strategy developed by a wide cross-section of our staff with guidance and input from our executive team. It envisions a unified approach and synergy between program divisions, support functions, and frontline employees that addresses each essential component of the Department from information technology solutions to developing tomorrow's leaders.

Our vision is:

CALIFORNIA DMV: DRIVING CHANGE
CUSTOMER FOCUSED • SOLUTION ORIENTED • INNOVATIVE

It is simple and straightforward. It captures our guiding principles and who we strive to be. It is not change for the sake of change, but change because we are committed to better service to our customers and creating a better environment for our employees.

Ultimately, success will be determined outside the pages of this strategic plan. It begins with the executive team. The leaders of tomorrow must embrace and practice strategic thinking and strategic management as part of our culture. We must work as a team with a holistic perspective and understanding of the interdependence of our functions. As we move away from outmoded, inconvenient, and process-oriented approaches that may no longer serve any relevant purpose or may no longer be the best approach, we must implement solutions that are convenient for the customer, not convenient for government.

As the face of state government, we have been leading change. With the support of the Governor's Office and the Business, Transportation and Housing Agency, we have had tremendous successes over the last year. We cut wait times in field offices from one hour to 20 minutes, reduced wait times on our telephones, eliminated the Internet credit card transaction fee, implemented driver license renewal on the Internet, and created mutually beneficial solutions with our business customers.

In recognition of our efforts, Governor Schwarzenegger praised us for reducing wait times in his State of the State Address on January 5, 2005. Our plan builds on these successes and leverages our rekindled spirit and innovation. We are setting the pace for the rest of California government.

The Governor expects a government that is leaner without being meaner; a government that supports the state's economy and does not hold it back. Our government must be as innovative and creative as the people it serves. DMV will be all that and more. This plan sets out a clear vision to chart that new course and create a DMV that:

- is accountable and accessible to the people;
- is strategically oriented and focused on productivity;
- has facilities strategically designed and located to meet customer needs now and in the future;
- is reflective of the priorities and values of the people of California;
- utilizes the strengths of its workforce; and,
- uses taxpayer dollars efficiently and effectively.

History and reputation affirm that we will continue to step up to the challenge and turn our vision into reality.


JOAN M. BORUCKI,
DIRECTOR

MISSION

VISION

Our mission describes our purpose. It is what we do and why we exist.

Our MISSION is to:

Promote safety by licensing qualified drivers, protect consumers by issuing identification cards, registering and titling vehicles, licensing and regulating the motor vehicle industry, and collect revenue on behalf of state and local government.

Our vision paves the road towards the future of our organization. It describes who we as an organization aspire to be.

Our VISION is:

CALIFORNIA DMV: DRIVING CHANGE
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CORE VALUES

Our core values are the fundamental and enduring doctrines of the organization - the set of guiding principles that have a profound impact on how everyone in the organization thinks and acts. They are the few extremely powerful guiding principles; the soul of the organization - the values that guide all of our actions.

Our CORE VALUES

Honesty And Integrity

We are honest and act with integrity in everything we do. We are forthright and deliver on our commitments.

Respect And Consideration For Each Employee And Customer

We treat everyone involved in the organization - staff, stakeholders, and customers alike - with dignity and respect. We respect the individual and believe that individuals who are treated with respect and given responsibility respond by giving their best.

Accuracy And Quality In All Our Products And Services

We have high standards and provide the highest quality services and products. We constantly challenge ourselves to improve. We never lose sight of what really matters: the satisfaction of our customers. Our services are focused on the needs of our customers.

Innovation

We value new ideas and concepts and foster innovation - creative problem solving is fundamental to our effectiveness. We constantly strive for more efficient ways to deliver our services and products to our customers.

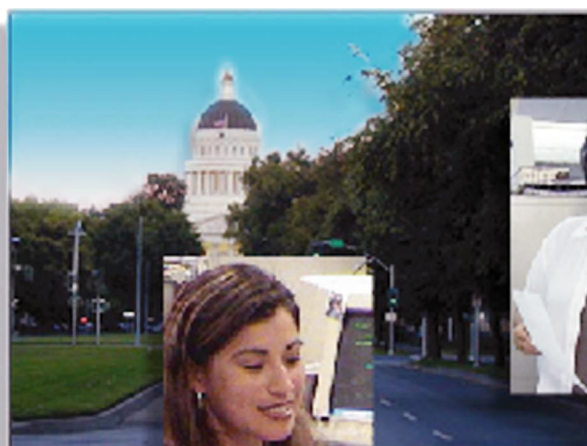
Leadership

We value leadership that brings out the best in each of us - that empowers employees and encourages participation. We hire, motivate, and develop outstanding employees. We cultivate an environment where each of us can excel. We invest in our employees and develop our future leaders.

"The content of your character is your choice.
Day by day, what you choose, what you think,
and what you do is who you become."

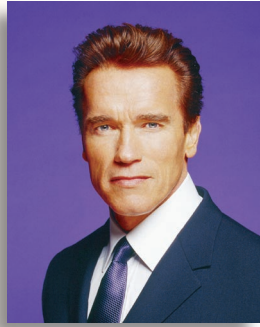
Heraclitus

STUDENT COORDINATORS



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"I ask all of my fellow Californians to join with me in reaching for a future for our state as golden and promising as the one our parents and grandparents sought for us. This is our chance to fundamentally change the way government affects our lives and serves the people. A chance to make government not a roadblock to our dreams, but a partner in our lives."

Arnold Schwarzenegger

"One of California's most enduring qualities is its ability to renew itself constantly by offering endless possibilities to those who live, work and make their future here."

Sunne Wright McPeak



"It is not change for the sake of change, but change because we are committed to better service to our customers and creating a better environment for our employees."

Joan M. Borucki

INTRODUCTION

Cars and driving are a way of life in California. They are an inseparable part of our culture. California has over 22 million licensed drivers and over 30 million registered cars. Nearly everyone has a car and many have more than one. We have become dependent on them for business and leisure. Cars and trucks are critical to California's economy - the fifth largest economy in the world.

The Department of Motor Vehicles (DMV) plays a key role in California's driving culture. We test and license qualified drivers, monitor and regulate the driving privilege, title and register vehicles, regulate occupational licensees such as vehicle dealers, salespersons and driving schools, and issue permits to commercial truckers.

As we look to the future, we recognize that we are the face of California state government. We touch more lives than any other Executive Branch Department. We also recognize that the customers we serve are the face of California. Our customers reflect California's diverse cultures, languages, education, and economic levels. As the face of state government, our performance shapes the public's perception of California government as a whole. Our Strategic Plan reflects the breadth and importance of our responsibilities.

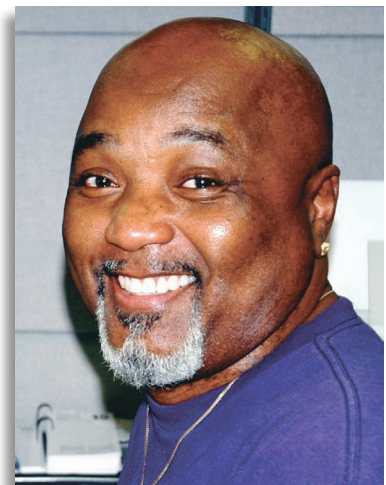
This Strategic Plan also reflects our desire to establish fundamental changes that will sustain the process of continuous improvement we began almost two years ago. Through strategic alignment and administrative support, we can take advantage of current opportunities to create the successful organization that the California public and state government demands.

The alignment of several factors provides a unique opportunity to build a 21st Century DMV that will meet our customers' rising expectations. The budget crisis forced government, with limited resources, to look for innovative ways to serve the ever-increasing number of Californians. We are increasingly expected to do more with less. Proven technologies are available today. Unlike fixed, sedentary buildings, on-line transactions are not affected by population increases or population shifts. The Department has proven that it can successfully implement technological solutions. Californians have access to computers and are using them for on-line services in increasing numbers; our customers are ready and willing to forgo visiting a DMV field office, and instead transact with DMV using technological alternatives.

Planning our future necessitates looking to the past and assessing the present. To this end, the “Organizational Assessment” section reviews where we have been, assesses where we are today, and identifies our opportunities for the future.

This Strategic Plan reflects the beginning of our evolution towards an organization that is based on strategic thinking and performance management. The section entitled “Driving Our Future” articulates our vision for who we will be and how we will operate, and the section entitled “Strategic Planning Conceptual Framework” puts strategic planning into the larger context of performance management. From this, we have established a comprehensive set of Goals, Key Strategies, and Key Measures that will take us one leap closer to our Vision.

This Strategic Plan breaks from our past plans in its scope and ambition. Tall challenges, limited resources, and high expectations require equally demanding responses. This Strategic Plan is our answer to the challenges and opportunities ahead.



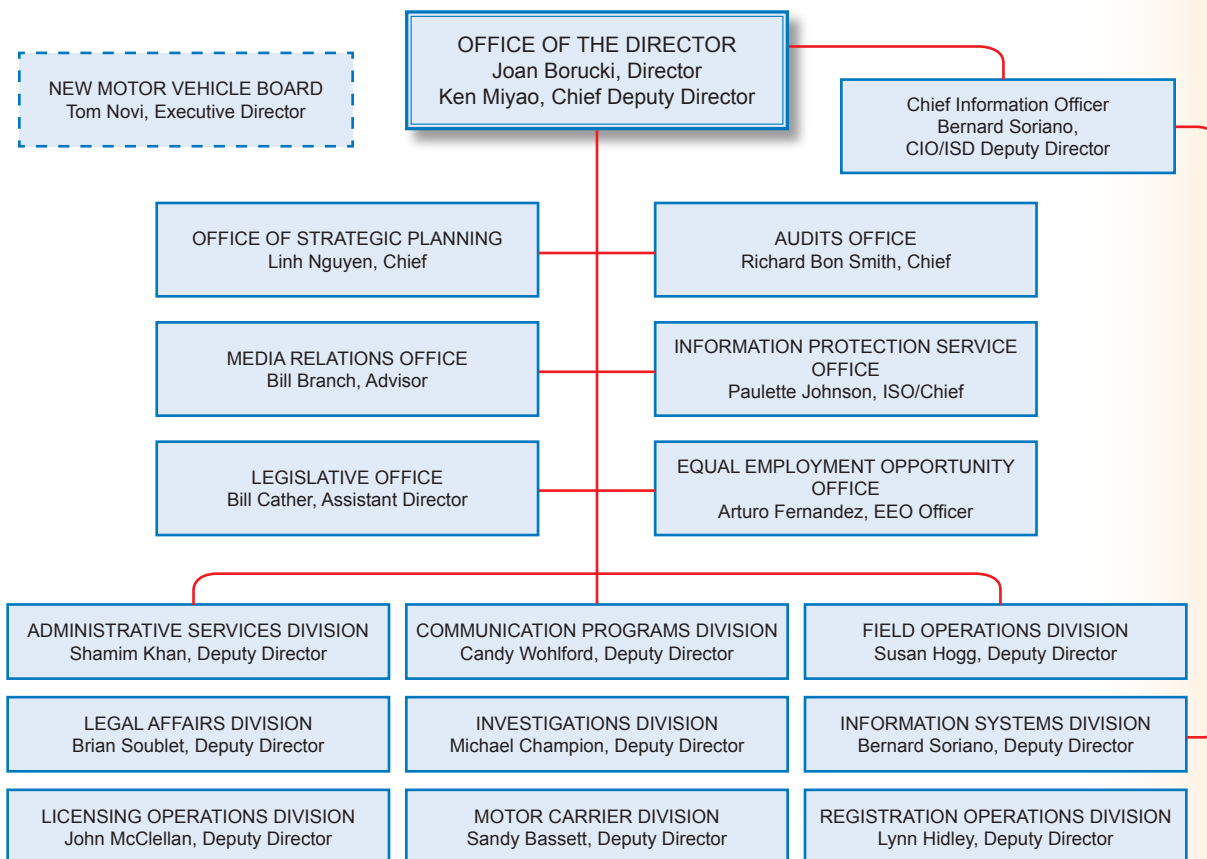
DEPARTMENT OVERVIEW

WHO WE ARE

The Department of Motor Vehicles is a part of the Business, Transportation and Housing Agency, which encompasses 16 other state Departments. Each year we issue more than 8 million driver licenses and identification (ID) cards, register over 30 million vehicles, issue more than 68,000 motor carrier permits, mail more than 80 million items, answer more than 20 million telephone calls, reach 13 million customers through our website, respond to over 132 million requests for information, and collect over \$5 billion (encompassing over 100 different fees) for state, law enforcement, cities and counties.

Appointed by the Governor, the DMV Director oversees an organization comprised of 8,000 plus employees; multiple motor vehicle related services and products offered through facilities located across the state. The Department is divided into nine divisions and six executive offices. Each division is assigned specific programs with the executive offices providing Departmental oversight and assistance across programs.

DEPARTMENT OF MOTOR VEHICLES ORGANIZATION CHART



CORE FUNCTIONS

Driver License and Identification (ID) Card Program

We test drivers and issue licenses to qualified drivers. We issue ID cards. We ensure the identity of licensed drivers and identification card holders.

Vehicle Titling and Registration Program

We issue titles to and register automobiles, vessels, trailers, and motorcycles, as well as commercial vehicles used for both interstate and intrastate commerce. We issue disabled person placards and personalized license plates. We disburse collected revenue to other state and local agencies.

Driver Safety Program

We promote traffic safety by monitoring the driving performance of licensed drivers. We promptly evaluate the driving ability of high-risk drivers and take corrective measures against the driving privilege of drivers who become safety risks.

Licensing the Motor Vehicle Industry

We provide consumer protection through the licensing and regulation of occupations and businesses related to the manufacture, transport, sale, and disposal of vehicles, including vehicle manufacturers, dealers, registration services salespersons, transporters, and dismantlers. In addition, we regulate all occupations and businesses related to driving and traffic schools.

ADDITIONAL FUNCTIONS

As a result of our relationship with our customers and our infrastructure's ability to reach Californians, we have been assigned several functions beyond our core functions.

Some of these additional functions include:

- collecting parking fines;
- collecting voter registration information for the Secretary of State;
- suspending driver licenses for unpaid child support; and,
- managing the release of information from our databases.

DMV FACILITIES

The Department provides services and delivers products centrally in our Sacramento Headquarters and in locations throughout California. Our customer service facilities are comprised of:

- 168 Field Offices - Provide services including vehicle registration, and driver license and ID card processing.
- 12 Driver Safety Offices - Located throughout the state for those drivers requesting administrative hearings related to retaining their driving privilege or who are scheduled for re-examinations for skills and competency.
- 24 Inspector Offices - DMV inspectors perform background verifications and physically inspect places of business under DMV's jurisdiction for compliance with applicable laws and regulations. They routinely monitor businesses for continued compliance and respond to complaints lodged against driving schools and traffic violator's schools.
- 55 Investigations Offices - Protecting the programs and interests of the Department and public through active fraud/counterfeit detection, investigation, audit, and enforcement services.
- 8 Consolidated Registration Centers - Provide services to dealers and registration services, outside of the normal field office environment, for the processing of their vehicle registration transactions. Customers of these services submit bundled documents for processing. These offices are not open to the public.
- 9 Telephone Service Centers - Centralized call centers throughout the state where our telephone service representatives provide assistance to customers by telephone. Customers are also able to process transactions through an automated voice recognition system.
- 3 Commercial Driver License Testing Locations - DMV offices specifically designed to give commercial driver license (CDL) driving skill tests.
- 7 Industry Service Centers - Provide vehicle industry focused, walk-in services for automobile dealers and registration services.



Secretary Wright McPeak Issues the challenge

ACCOMPLISHMENTS

- | | |
|--|--|
| <input checked="" type="checkbox"/> Car Tax Rollback | <input checked="" type="checkbox"/> Telephone Wait Time Reduction |
| <input checked="" type="checkbox"/> Online VLF Fee Calculator | <input checked="" type="checkbox"/> Electronic Insurance Reporting Expansion |
| <input checked="" type="checkbox"/> Field Office Wait Time Reduction | <input checked="" type="checkbox"/> Self Service Terminal Demonstration |
| <input checked="" type="checkbox"/> Credit Card Fee Elimination | <input checked="" type="checkbox"/> Business Partner Increases |
| <input checked="" type="checkbox"/> Telephone Transaction Automation | <input checked="" type="checkbox"/> Driver License Renewal By Internet |

THE 21ST CENTURY CHALLENGE

ORGANIZATIONAL ASSESSMENT

The Department of Motor Vehicles has been actively pursuing ways of doing business more effectively and efficiently, in alignment with Governor Schwarzenegger's vision of a 21st Century government. For the DMV, our efforts resulted in tremendous reductions in wait times, and a staggering array of technology solutions and process improvements that lay the foundation for our future. This all began when DMV rolled back the car tax with unprecedented speed and innovation. We cannot plan the future without looking at our past and assessing our current environment. The section below discusses our recent accomplishments and, assesses our current environment.

CAR TAX ROLLBACK

On November 17, 2003, as his first act as Governor, Arnold Schwarzenegger signed "Executive Order S-1-03" to repeal the car tax. As the face of California state government, we were called upon to set the tone for California government. In true DMV fashion, we rose to the occasion and exceeded all expectations.

Our employees worked around the clock to reprogram our systems in less than a week – rather than the 90 days originally estimated. Within one week of the repeal, DMV was printing and mailing renewal notices reflecting the new, lower rate.

However, we didn't stop there. We recognized that we would have to put our innovation and creativity to the test to deal with the customers who had already received their billing notices at the higher rate. The day after the repeal was signed, we provided an on-line fee calculator on our website so the millions of Californians who had already received their bills at the higher rate could recalculate their own car fees and submit the lower amount. Although the solution seemed simple, it was innovative, forward thinking, and had never been tried.

The results were nothing short of astounding. Sixty-seven percent of customers used the calculator, saving California \$1.6 million in administrative costs. In recognition of this innovative solution, we received the "International Public Affairs and Consumer Education Competition Award" from the American Association of Motor Vehicle Administrators. In all, close to 5 million checks totaling over \$600 million were returned to the people of California.

"Common sense is the knack of seeing things as they are, and doing things as they ought to be."

- Harriet Beecher Stowe

THE WAIT TIME CHALLENGE

In 2003, it was not uncommon to drive into a DMV parking lot and see all of the spaces filled. A visit to a DMV office entailed waiting in long lines that extended out through the doors and into the parking lot. From the customer's side of the counter, our technicians were overheard telling customers that they're missing information or documents and they will need to make another trip to the office. In other instances, field office employees did not have the system capabilities to complete certain types of transactions, so they had to be sent to DMV Headquarters for special processing.

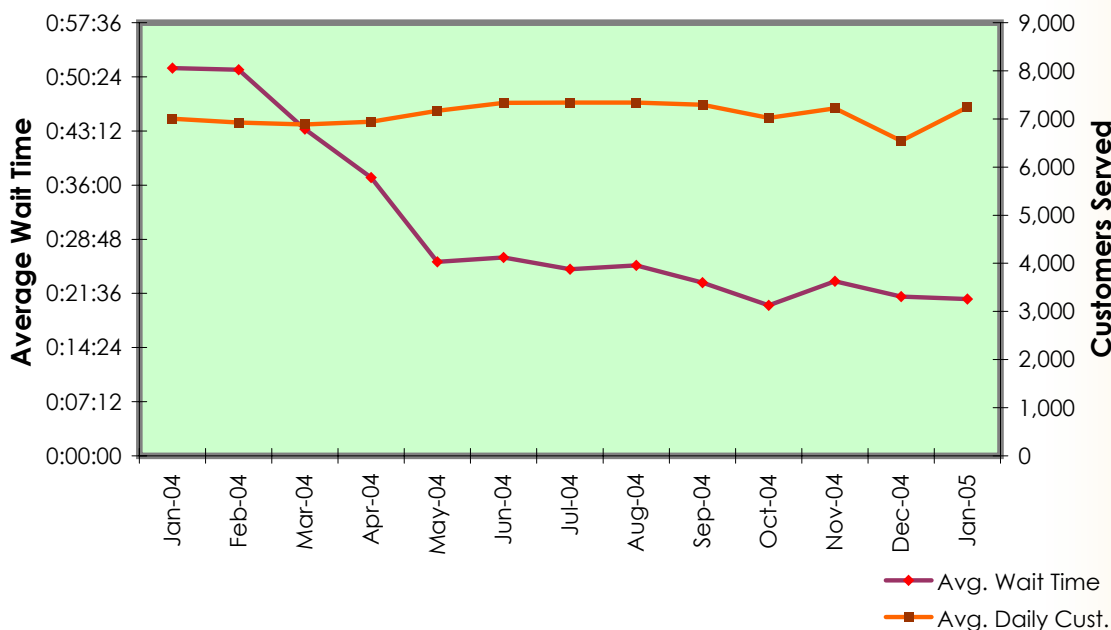
Between 1999 and 2004, we lost more than 1,000 positions due to hiring freezes and position reductions. This workforce reduction occurred while workloads had grown significantly – and the effects on service were very real. In November 2003, our average wait time exceeded one hour, with some customers having to wait as long as six hours for service.

Recognizing this critical situation, Business, Transportation and Housing Agency Secretary, Sunne Wright McPeak directed us toward our second major challenge: to reduce wait times in our field offices. More importantly, Secretary Wright McPeak championed our efforts in both the short and long term.

The Department recently equipped 91 of its largest field offices with a queuing system ("take-a-number" system), which is able to track customer traffic. Using data obtained from this system, we were able to truly see the number of customers that field offices must serve in a single, typical day. The data confirmed that we were simply not equipped to serve the number of customers that visited our field offices. In recognition of this challenge, DMV developed a plan to bring wait times down to an average of 30 minutes on or before June 30, 2004 by hiring additional staff to fill critical front-line positions in our field offices. Secretary Sunne Wright McPeak of the Business, Transportation and Housing Agency, and the Director of the Department of Finance approved the plan.

A Time for Change was created in February 2004 to identify process improvement projects that would automate systems and reduce the number of customers required to visit field offices to conduct business with the Department. Starting in March 2004, DMV hired 498 temporary staff to reduce lines and improve service and deployed "IGNITE Teams" consisting of experienced managers that travel to field offices statewide sharing best practices and recognizing employees' efforts. The additional staff had a significant impact on wait times and morale. By May 2004, wait times

in our field offices were reduced to an average of 30 minutes. We have continued to improve our service with wait times less than 21 minutes in the largest 91 field offices in January 2005.



THE MOMENTUM BUILDS

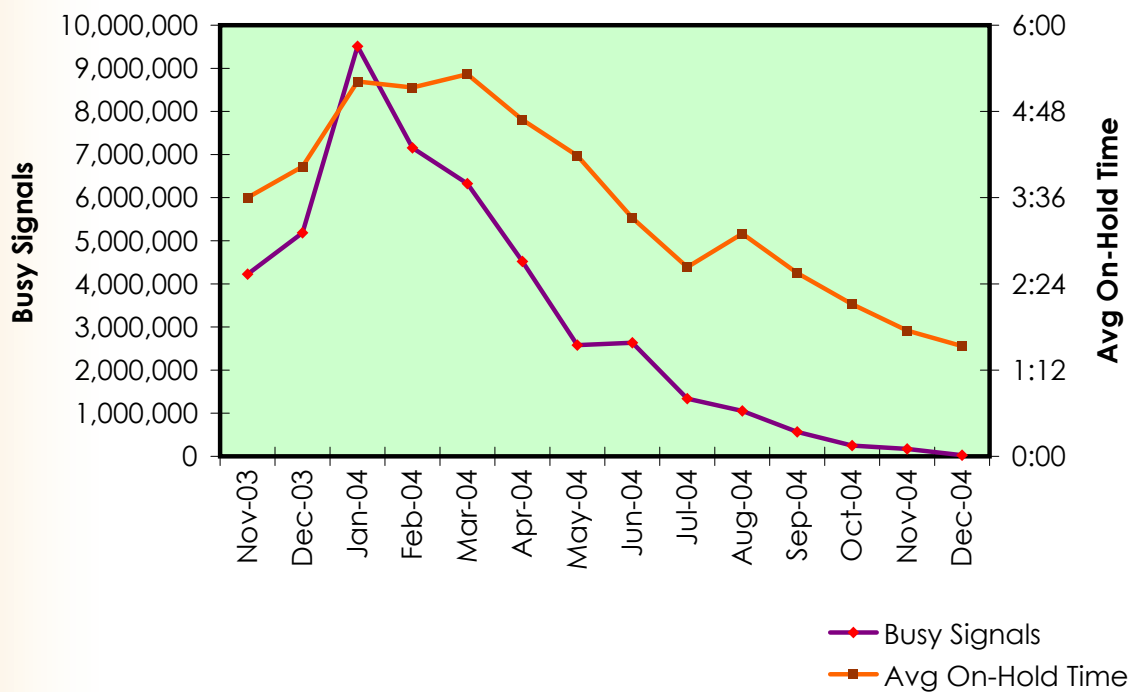
Objects in motion tend to stay in motion – DMV is certainly in motion. In response to Secretary Wright McPeak's challenge to sustain short wait times into the future, we developed our "eDMV Business Plan." The plan captured a unified purpose for implementing technical process improvements that will allow the DMV to sustain the shorter wait times. The eDMV program was intended to focus the Department's efforts on strategic process improvements by managing projects within a strategic framework rather than on an individual basis. We believe that by selecting projects and allocating resources strategically, we can sustain the momentum over time.

Over the last year, we have made tremendous strides in streamlining processes and leveraging technology to improve customer service. In February 2004, we embarked on an aggressive and ambitious plan to make major customer service improvements. These improvements now provide customers with options they expect when conducting business with any organization and move DMV in a new direction. We now provide convenient, 24 hour a day 7 day a week (24/7) service options at no additional cost, accept alternative methods of payment, provide options for self-service and have shifted workloads away from field offices.

We are proud of these accomplishments as we are steadfastly committed to continuing to improve service and transforming the way we do business and serve California.

☑ TELEPHONE SERVICE IMPROVEMENTS

Long wait times were also a problem at our Telephone Service Centers with customer telephone on-hold times averaging over five minutes in March 2004. Implementation of the Advanced Speech Processing system to provide self-service appointments and vehicle registration renewals on a 24/7 basis, hiring and training 30 additional employees in May 2004, and expanding the capacity of the Interactive Voice Response system in July 2004, are steps we have taken to address this problem. As of March 2005, these steps have reduced busy signals by more than 95% and reduced on-hold times to between one and two minutes.



With California's growing population and today's limited resources, we cannot rely on additional staffing to maintain these levels of service in the future. DMV used collaboration and a team approach involving the entire organization to develop a clear strategy and direction. We have rebuilt the credibility of the Department and are poised to capitalize on our first two successes by leveraging technology and program improvements, providing our customers with improved service through the Internet, automated telephone systems, and self-service terminals (kiosks).

Historically, DMV has been reactionary. As new legislation is passed the additional requirements are layered onto an already overburdened system. The environment of the 21st Century requires us to be proactive and forward thinking in delivery of our products and services. We developed a business strategy to take immediate action to leverage technology, employ best practices and implement process improvements. This business strategy is *eDMV – The Business Plan for the 21st Century*. This plan places the Department at the forefront of innovative problem solving and makes DMV a leader in California government by setting the standard of excellence for simple, efficient, and convenient service delivery.

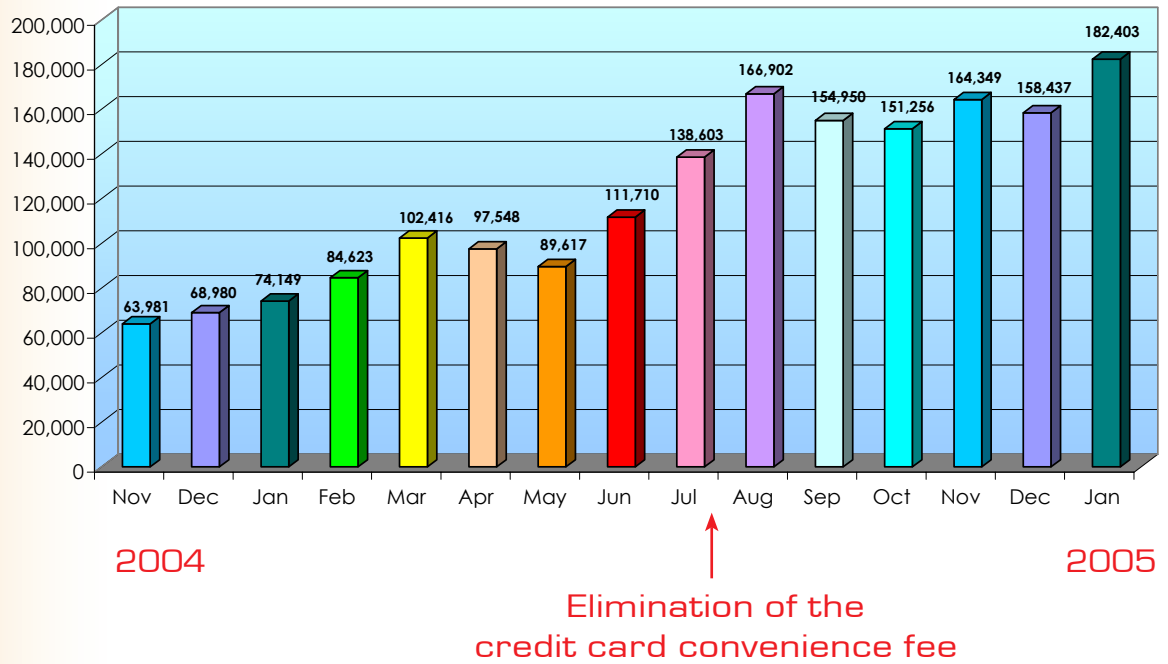
ELIMINATED CREDIT CARD FEES FOR INTERNET TRANSACTIONS

Prior to July 1, 2004, customers renewing their vehicle registration on-line, and paying their fees with a credit card, were charged a \$4 convenience fee. On July 1, 2004, DMV eliminated this \$4 fee. The \$4 fee was a major disincentive to using Internet and telephone services and was a continuous source of strong criticism from the press and public. Since eliminating the credit card fee, the public has shown their overwhelming approval by flocking to the DMV Web site and voice-automated telephone system in record numbers thus reducing the number of people visiting field offices and using the mail and more than doubling the number of Internet and automated telephone renewal transactions since July 1st.

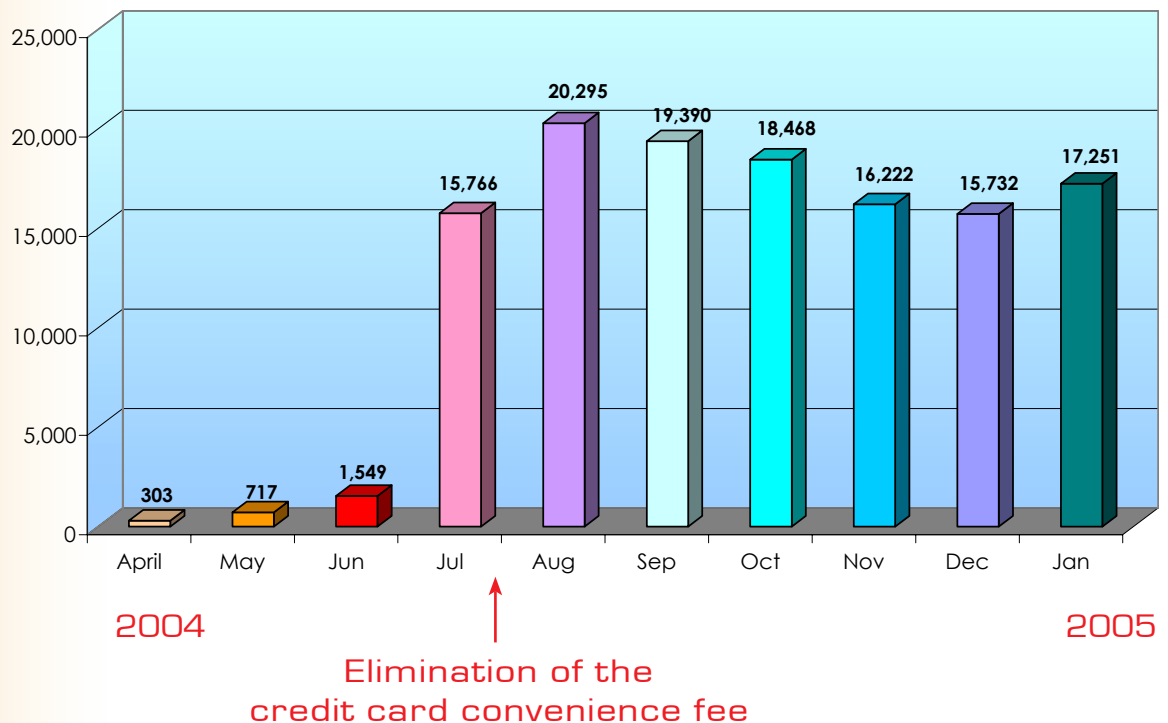
“The role of government is trying to strike a balance among its roles as an enabler, as an enforcer, as a provider, and as a partner.”

David M. Walker

**Number of Monthly Vehicle Registration Renewals Processed On-line
November 2003 –January 2005**



**Number of Monthly Vehicle Registration Renewals Processed Via The
Voice-Automated Telephone System April 2004 –January 2005**



ELECTRONIC REPORTING OF INSURANCE

DMV's ability to verify a customer's proof of insurance electronically is one of the conditions that must be met in order for Californians to qualify to renew their car registration on-line or via DMV's voice-automated telephone system. DMV has actively pursued electronic access to this insurance information with much success. In the past year, DMV has increased the number of insurance companies providing electronic proof of insurance by 25%. Currently, 82.75 % of the vehicles required to have evidence of proof of insurance are insured with companies that report that information to DMV electronically.

EXPANSION OF BUSINESS PARTNERSHIPS

A large segment of DMV's customer base is made up of vehicle industry businesses. The Department has established contracts for electronic programs that allow qualified industry businesses to provide services that include processing and payment programs for vehicle registration and titling transactions. DMV is dedicated to creating mutually beneficial solutions with our business partners by expanding the number of businesses we partner with, improving the way we provide services to them, and increasing the types of transactions that we enable them to process on the Department's behalf for the public. These partnerships will redirect millions of transactions a year away from field offices, provide Californians with additional options for completing DMV transactions, and allow trucking companies to keep the movement of goods flowing by getting trucks on the road sooner.

DMV implemented a Salvage Pool Pilot in June 2004 that allows companies that transport, store, and auction severely damaged and "total loss" automobiles for insurance companies and other vehicle suppliers to submit their own applications electronically. This pilot provides benefits to the Department and the Salvage Pools by allowing the Salvage Pools to obtain their title certificates faster, and reduces the workload in some of the DMV field offices and consolidated registration centers. The participants have processed more than 115,000 transactions since the pilot began. One company has reported an annual savings of more than \$6 million.

DMV also implemented a Registration Service Issuance of International Registration Plan (IRP) Indicia Pilot. This allows private registration services to issue registration stickers and license plates to interstate trucks, allowing those trucks to get plated and on the road one to three weeks sooner.

The Business Partner Automation (BPA) Program allows for private businesses to provide registration services. Last year's increase in the overall number of transactions processed by DMV's business partners, resulted in the reduction in field office visits and telephone calls, and provide the public with another service option.

OFFICE OF STRATEGIC PLANNING AND OVERSIGHT

DMV established the Office of Strategic Planning and Oversight. The office is responsible for: creating and implementing DMV's strategic planning process, providing project management expertise for projects pursued in achieving departmental strategic goals, and aiding in the development, measurement and reporting of key performance metrics. This office will also be responsible for implementing a performance review process, and reviewing Department-wide policies and regulations to ensure they are necessary and support efficient operations.

DRIVER LICENSE INTERNET RENEWAL

On September 14, 2004, DMV provided Californians with the option to renew a driver's license on the Internet. Since then, DMV has processed over 181,000 driver license renewal transactions on-line, and is now averaging more than 7,500 transactions per day. This is yet another alternative that allows the customer to conduct business with the Department at their convenience, and reduces both field office visits and mail processing.

DMV ATM/DEBIT CARD PILOT

DMV conducted a pilot in the San Francisco field office to allow customers to use their ATM/Debit card, providing customers with an additional payment option other than cash or check. This pilot is providing the customer the options they expect when conducting business with any organization. Approximately 16% of our customers are now using an ATM/debit card in the San Francisco office.

LEADERSHIP DEVELOPMENT ACADEMY PILOT

The Department has recognized the need to develop and enhance specific leadership skills that are critical to the success of the Department now and in the future. The Leadership Development Academy is a program designed specifically for DMV's managers and staff members who exhibit a high potential as future DMV leaders. The Pilot will focus on knowledge and skills that develop leadership competencies, such as: effective communication, leadership styles, strategic planning and performance management, building smart teams, staff motivation, problem solving and decision making, change management and basic cost accounting.

ADDITIONAL ACCOMPLISHMENTS

- Provided a link on the DMV Internet site for today's active seniors. The information promotes safety education and answers questions specific to the mature driver.
- Reduced processing times for driver safety hearings, which improves safety on the roadways by restricting the driving privilege of licensees who no longer satisfy the requirements to drive.
- Provided the electronic means to report insurance information for the trucking industry. This gets the trucks and drivers on the road sooner.
- Identified and implemented best practices to improve customer service.
- Consolidated audit functions from separate business areas throughout the Department into one area, as an organizational improvement.

- Created a DMV specific project management methodology, melding the best practices of business and information technology, to ensure consistency in the way the Department implements projects. The methodology, and its associated tools, templates, tips and techniques, is available to all DMV personnel through a web-based manual.
- Consolidated the budgeting and accounting functions into one office, as an organizational improvement.
- Participated in a survey with DMV's in other states that will provide the Department with a report that compares our business services, activity-based costs, workload volumes, performance criteria, and functions. This information will assist us in future improvements and business strategies.

SETTING THE STAGE FOR SUSTAINED CHANGE

That was merely the beginning. There are many more opportunities to improve customer service, organizational performance, and workforce development. We will build on our recent successes to continue our strategy of service improvement.

The Department of Motor Vehicles has made considerable progress in recent years addressing our complex processes, antiquated systems, and growing workload. We still have a long way to go. Within these challenges lies tremendous opportunity for significant and positive change.



OUR CURRENT ENVIRONMENT

Complex Processes

In the past, DMV was known as the Department that registered and titled cars or where new drivers came to acquire a driver license. Those times have changed. Now, while still meeting these needs, new mandates layer requirements onto an already complex and cumbersome system. We have become the tool for enforcement of social behavior through such mandates as the denial of a driver license for unpaid child support or for the commitment of non-traffic related crime, such as graffiti. The sheer numbers of mandates and requirements - and their effect on the more than 55 million driver license and vehicle transactions that come through the Department annually - compound the problem.

Antiquated Systems

We regularly interact with and collect information from Californians to carry out our responsibilities. As a result we have developed and maintain immense databases of information. Even though our information technology experts continually improve these increasingly antiquated legacy databases, new legislative mandates are continuously passed. These mandates add additional facets to our already overburdened system. And, as we add new facets, we must also deal with ghosts from the past: by-products of continually implementing new legislation without having the time to address past problems.

Human Capital Crisis

More than one quarter of our work force has been in state service over 20 years. As more and more of our experienced employees retire, the need for succession planning becomes more critical. Over the last year, a large number of upper level managers have retired. As this occurs, we see not only a challenge in our organizational succession, but also the opportunity to develop our future leaders. This opportunity is now of paramount importance to our future success.

California's Diversity And Changing Demographics

California has a very diverse population. Our customer base includes members of the general public, the motor carrier industry, vehicle and non-vehicle industries, and business partners - each with specific needs, languages, locations, and abilities. Although we attempt to project the shifting population growth and industry needs, planning the location and design of our facilities remains a challenge. Many offices were built prior to the boom in the aging population and the changes in population density. Our facility infrastructure does not always meet today's needs and we must develop a comprehensive strategy to address these changes.

Limited Strategic Management

DMV has practiced strategic planning since 1993. In the past, DMV has developed strategic plans and identified performance measures but failed to incorporate the strategy in our day-to-day business. This strategic plan is different in its focus on strategic management and emphasis on a synergistic relationship between the Department's strategy and its business programs. In alignment with Governor Schwarzenegger's vision of a responsive and accountable state government, we must ensure that our policies, procedures, and programs effectively support our mission, and meet the needs and expectations of the people of California. To ensure that we are effective, efficient, accountable, and customer-focused, we must:

- establish a performance review process that feeds into our strategic planning efforts;
- realign critical functions, as necessary, for effectiveness and accountability; and,
- manage our budget and fiscal responsibilities for efficiency.

We have started the shift from being reactive to being proactive. Opportunities for change have been identified and efforts are underway to implement them. To achieve our goals and maximize effective operations, these opportunities must be embraced and pursued as a Department-wide effort.

Incomplete Performance Measures

As paper-based processes move to automated solutions, we have not developed clear metrics to gauge the performance of the new systems or processes. Historically, DMV's performance information is "hit-and-miss." This information, along with customer expectation survey data, is at the heart of performance management. Existing processes, procedures, and programs have changed over time and new ones have been added. However, we have not reassessed many of them or established metrics or goals on which to ascertain their success or progress. We must close the resultant gap to truly measure our efficiency and effectiveness as an organization.

Outdated Costing Methodology

Automation provides more accurate and extensive data than paper-based processes. DMV's costing model was developed for a paper-based business and is outdated and obsolete. We must update our costing methodology to effectively utilize the data now available to us. We must develop a central source for costing information that will provide detailed, accurate information about the cost of our activities and business processes as well as how costs flow through our organization so we can better understand how our money is spent. We must implement a new costing methodology that will assign costs to activities based on resource usage, allocate overhead based on the real factors that create the costs, and assign costs to products, functions, or projects based on the activities undertaken to complete them.



"The best way to predict the future is to create it."

Anonymous



CONCEPTUAL FRAMEWORK

*Strategic Planning*¹

Strategic planning is a management tool. It is used to help an organization focus its energy and resources, ensure that members of the organization are working toward the same goals, and assess and adjust the organization's direction in response to a changing environment. Strategic planning is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it, with a focus on the future. Being clear about an organization's strategy and objectives allows it to respond to dynamic environments and unknown future circumstances. Strategic planning does not attempt to make future decisions. It involves anticipating the future environment, but the decisions are made in the present. Strategic planning is a tool and does not make the Department work or succeed. Strategic planning can only support the intuition, reasoning, judgment, and leadership that employees bring to the Department.

*Strategic Thinking*¹

Strategic thinking is asking, "Are we doing the right thing?" and "Are we doing it the best way?" It requires having a definite purpose in mind, an understanding of the environment, and creativity in developing effective responses to these forces. To be successful, strategic thinking must be a shared principle that is part of our everyday culture.

*Strategic Management*¹

Strategic management is the application of strategic thinking to the job of leading an organization day-to-day, month-to-month, and into the future. It requires attention to the "big picture" and willingness to adapt to changing circumstances. Strategic management consists of three elements:

- formulation of the organization's future mission in light of changing factors such as available resources, legislation, technology, and customers;
- development of a strategy to achieve goals and objectives; and,
- creation of an organizational structure that will deploy resources efficiently and effectively to carry out its strategy.

¹ Adopted from John M. Bryson's *Strategic Planning in Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement*, 3rd Edition, 2004.

In today's dynamic environment, strategic management has become a necessity over the traditional approach of "if it ain't broke, don't fix it." Strategic management also requires developing and tracking performance measures and adapting approaches as necessary to stay on track.

Successful Strategic Planning¹

To succeed we must embrace the concepts of strategic thinking and strategic management. Successful strategic planning:

- leads to action;
- builds a shared vision that is values-based;
- is an inclusive, participatory process in which executives and staff take on a shared ownership;
- accepts accountability to the stakeholders;
- is externally focused and sensitive to the Department's environment;
- is based on quality data;
- requires questioning of the status quo; and,
- is a key part of effective management.

This strategic plan was designed with these concepts and principles in mind. The underlying key to the success of this plan is effective communication and a unified team effort from our top executives to our frontline employees, from our program divisions to our field offices. Without this synergy, this plan is destined to be a theoretical framework existing only on the shelves of executive management. With this synergy, this plan will be the living framework for action and results.

¹ Adopted from John M. Bryson's *Strategic Planning in Public and Nonprofit Organizations: A Guide to Strengthening and Sustaining Organizational Achievement*, 3rd Edition, 2004.

Strategic Planning - The Big Picture²

Strategic planning is the first step in the performance management process. Performance management is the unified use of strategic planning, performance measurement, budgeting for results, and performance review. Performance budgeting is the use of performance management to tie program funding to demonstrated effectiveness. We must identify the needs and demands of our customers and the programs that serve those needs; establish clear, measurable outcomes for those programs; produce and maintain a formal system of accountability and use the information in budget development. This fully integrated process helps us become more creative, flexible, focused, and accountable in responding to customer needs. Performance management allows programs to direct scarce resources toward high priority programs and services. Ultimately, when strategic planning, performance measurement, budgeting for results, and performance review are fully integrated and implemented, we will enhance our ability to produce results.

2005-06 Performance Management Timeline

June 2005 - Executive Team Vision Session Completed.

July 2005 - Baseline Budget Proposals Approved / Action Plans Approved

August 2005 - eDMV Business Plan - Year 2 Approved.

September 2005 - DMV Environment Scan.

November 2005 - Start Revision of Strategic Plan (If needed)

December 2005 - Revise Action Plans.

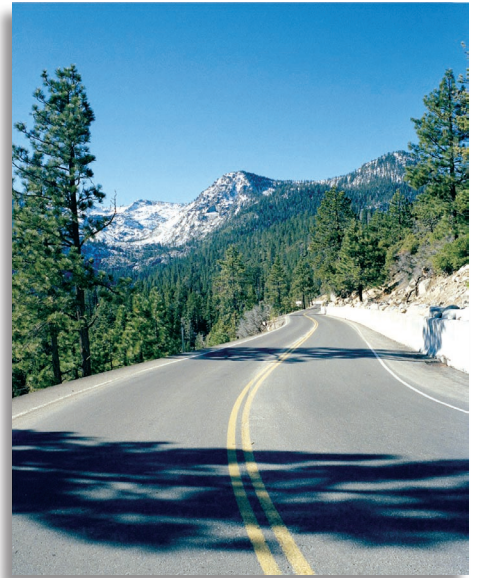
January 2006 - Budget Priority Letter Approved.

April 2006 - Base Budget Proposals Approved.

“The greatest thing in this world is not so much where we stand as in what direction we are moving.”

Johann Wolfgang von Goethe

² Adopted from *Performance Management Handbook (Draft)*, California Performance Review, 2004.



DRIVING OUR FUTURE

A VISION FOR TOMORROW

How well we perform and how well we serve our customers in the future depends on what we do today. With this plan as our guide, we will create a 21st century DMV that measures up to the best organizations in the world.

Serving The People

In the past, government has too often been designed for the convenience of government rather than for the convenience of the people it serves. In the future, government will be designed from a customer-centric perspective.

To thrive in the future, our organization must reflect the priorities and values of the people of California in new and innovative ways. We must redefine quality and service in terms defined by the customer, not by government. We cannot design solutions based on what we think the people want; we must reach out and determine what they truly want and need. The more accurate data we have about what our customers want, the more likely we are to meet their expectation. We will be open and accessible to the people we serve. Our facilities will be strategically planned, located, and designed to meet the needs of our customers.

We will employ proven technology and best practices from both the public and private sectors to develop practical strategies. We will invest taxpayer dollars wisely. We will recognize that our performance has a direct impact on the economy.

The People As Partners

As we reach out to the people as partners in our efforts to improve service, we will continue to develop and implement mutually beneficial solutions - a win for the customer and the Department. We will provide business and public customers expedited service at their convenience in cost effective ways. We will continue to look for mutually beneficial solutions that help our customers and help us operate more efficiently and effectively.

“New technology is common, new thinking is rare.”

Sir Peter Blake

Enhancing Traffic Safety

Californians rely heavily on their vehicles for business and pleasure. It is critical that drivers feel they are safe on California's roadways. The cost of traffic accidents in terms of dollars and lives lost is too high.

We must improve our methods to manage the driving privilege. We will seek more accurate methods to assess a person's ability to drive safely and competently before issuing a driver license. We will enhance the means by which we monitor driving records once a license has been issued. We will streamline the processes used to take actions against the driving privilege.

Maximizing Organizational Performance

To thrive in the future, we must embrace modern, proven methods of management. We must be strategically oriented and focused on productivity and quality service.

We will use and embrace performance management. We will utilize activity based costing to develop accurate data that demonstrates our effective use of resources. We will see the value and relationship between strategic planning, performance measurement, budgeting for results, and performance review.

We will approach our challenges with a unified vision and synergy between our program divisions, support functions, and frontline employees. We will move away from siloed approaches and manage with an enterprise perspective. We will work as a team with a concerted effort to implement efficient and effective solutions. We will structure our organization to increase accountability and efficiency and to meet the challenges of tomorrow.

Investing In Our Most Valuable Assets

Our employees are our most valuable assets. We must empower all of our employees through teamwork, training, and better management. Historically, we have underutilized their talents and have not sufficiently developed our successors. We must build on their strengths and give them a reason to contribute to the success of our organization. We will emphasize collaboration and teamwork. We will lead by vision and example.

We will nurture a culture of innovation and change - one that values creative thinking and an inventive spirit. We will commit resources to innovation and positive change. We will create a learning organization. When you don't look too closely at what others are doing, you can imagine that you know best and that you are doing things right. But a systematic study of other organizations can give us a very different perspective. We will look to the public and private sectors from California, the United States, and around the globe for best practices and innovative solutions. We will utilize California's strength in education and research. We will be masters of our trade. We will measure ourselves against the best organizations from both the public and private sectors.

We will invest in our future. We will ensure that our employees are well trained and have the tools they need to succeed today. We will ensure that our employees have the skills and opportunities to advance themselves and to step in behind employees leaving the workforce. We will invest in our future leaders - the successors that allow us to thrive in a constantly changing environment. Without this leadership, we will lose the innovation, strategic thinking and momentum that have taken us this far into the 21st century.

Commitment

These are the concepts and ideals to which we are committing ourselves. With these commitments we will achieve the goals set forth within this plan and become the organization we envision.



SET THE STANDARD FOR EXCELLENCE IN CUSTOMER SERVICE

At our core we are a customer service organization. We interact with more Californians than any other department. To successfully carry out our mission, we must be customer focused. We make the needs of customers our highest priority. We make organizational boundaries invisible to customers. We offer and promote new service options that are efficient and effective. These new service options will provide customers “anytime, anywhere” service at their convenience. Our enhancements will increase customer satisfaction and improve efficiency.

Key Measures

- Satisfaction levels of individual and business customers.
- Percentage of customers using alternative service options .
- Product turn around times (e.g. driver license and registration card).
- Availability of appointments for face-to-face service.

GOAL 1

Key Strategies

- Streamline our services and business processes.
- Provide accessible, convenient service delivery options.
- Expand the number of business partners and types of transactions they can process.
- Add features that encourage use of alternative service delivery options.
- Develop and implement an outreach plan to better communicate and promote service options, and to receive feedback.



“The single most important thing to remember about any enterprise is that there are no results inside its walls. The result of a business is a satisfied customer.”

Peter Drucker

SUPPORT CALIFORNIA'S ECONOMY BY KEEPING BUSINESS MOVING

As we serve and interact with business customers, we must recognize that the efficiency and effectiveness of our operations has a direct impact on California's economy. We regularly engage and work with business customers to implement mutually beneficial service solutions - solutions that are cost-effective and that streamline processes.

Key Measures

- Satisfaction level of business customers.
- Number of businesses entering into partnerships with the Department.
- Number of transactions completed by business partners.

GOAL 2

Key Strategies

- Expand the number of business partners.
- Expand the types of transactions business partners can conduct.
- Provide more electronic transactions options for our business customers.
- Improve our interface with business customers.



“Excellent firms don’t believe in excellence, only in constant improvement and constant change.”

Thomas J. Peters

ENHANCE SAFETY FOR THE MOTORING PUBLIC

We protect the motoring public by minimizing the number of unsafe licensed drivers operating on public roadways. We only license qualified drivers. We effectively monitor driving performance and take sanctions against high-risk drivers. We work with law enforcement, the courts, federal government, private entities, and the motor vehicle industry to make public roadways safer.

Key Measures

- Number of repeat offenders of driving laws.
- Time to update driving records.
- Time to resolve actions against the driving privilege.
- Availability and use of safety related information provided by the Department.

GOAL 3

Key Strategies

- Develop and implement additional tools to screen drivers for competence.
- Monitor and regulate the driving privilege.
- Provide and promote safety education.



“What is success? I think it is a mixture of having a flair for the thing that you are doing; knowing it is not enough, that you have got to have hard work and a certain sense of purpose.”

- *Margaret Thatcher*

IMPROVE CONSUMER PROTECTION

We enhance consumer protection by verifying identity, protecting the vehicle ownership interests of our customers, protecting customer information, and regulating businesses related to the motor vehicle industry. We use best practices and proven technology to ensure that our products, such as driver licenses and certificates of title, are verifiable and secure. We educate, monitor, and inspect businesses, such as automobile dealers and dismantlers, to protect consumers.

Key Measures

- Number of substantiated identity theft complaints involving a DMV-issued driver license or identification card.
- Number of substantiated complaints against businesses we regulate.
- Number of driver license and ID card records without a verified Social Security number.
- Turn around time for the investigation of consumer complaints.
- Time to update vehicle release of liability information.

GOAL 4

Key Strategies

- Improve our ability to prevent issuance of a driver license or identification card to an imposter.
- Enhance our efforts to detect and prevent fraudulent documents.
- Improve our vehicle and titling verification process.
- Improve timeliness and accuracy of updating vehicle release of liability.
- Increase inspection frequency of businesses we license.
- Investigate consumer complaints promptly.
- Increase consumer education provided to our customers.

A vision without a task is a dream – a task without a vision is drudgery – but a task with vision can change the world.”

Black Elk

DEVELOP A PROFESSIONAL AND SKILLED WORKFORCE

To be successful, we must develop and maintain an innovative and forward-thinking workforce prepared to take on the challenges we face today and will face in the future. We nurture an environment where employees are empowered to contribute to their own success. We practice a participatory management approach. We invest in employee training and development. We invest in our future leaders to ensure our future success.

Key Measures

- Satisfaction level of employees.
- Opportunities to be innovative and participate in improving processes.

GOAL 5

Key Strategies

- Promote a work environment in which employees are encouraged to provide input, innovative solutions, and new ideas .
- Ensure employees have the tools and resources to excel.
- Invest in employee development and training.
- Invest in leadership development and training.
- Use fair and effective hiring and promotional practices.
- Provide safe and clean facilities.



“Nothing stops an organization faster than people who believe that the way you worked yesterday is the best way to work tomorrow.”

Jon Madonna

IMPROVE ORGANIZATIONAL PERFORMANCE

We are a responsive organization that is accountable and accessible to the public we serve. We employ and embrace performance management. We use meaningful data to make smart decisions. We plan for the future. We are structured to operate efficiently and effectively. We conduct business at an enterprise level.

Key Measures

- Number and impact of successful project implementations.
- Number of enhancements in programs or processes.
- Satisfaction levels of our individual and business customers.

GOAL 6

Key Strategies

- Employ and embrace performance management.
- Leverage technology to increase efficiency and improve services.
- Organize the Department's functions to provide more efficient and effective operations.
- Continually review systems, services, programs, and projects.
- Establish, track, and utilize meaningful performance measures.



“Shared values are more important than paper and policies. We need passion, people, and pride. Leadership not management.”

Lester Levy

CONTACT INFORMATION

This plan is available to employees on the DMV Web
and to the public on the Internet at:

www.dmv.ca.gov

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